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IN THE

Supreme Court of the United States

OCTOBER TERM, 1963

No. 495

In the Matter of:

WALTHAM WATCH CO., A Corporation; HARRY ARONSON, Individually and as an Officer of said corporation, and LAWRENCE ARONSON as an Officer of said corporation, *Petitioners,*

v.

FEDERAL TRADE COMMISSION, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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FEDERAL TRADE COMMISSION, *Respondent*.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners, Waltham Watch Company, a corporation; Harry Aronson, individually and as an officer of that corporation; and Lawrence Aronson, as an officer of that corporation, by their attorney, B. Paul Noble, pray that a Writ of Certiorari issue to review the "Final Decree Affirming And Enforcing Order To Cease and Desist"[1] entered on the 28th day of June, 1963, by the United States Court of Appeals For The Seventh Circuit, affirming and enforcing an Order to

[1] Appendix "A". Final Decree Affirming Order To Cease and Desist.

cease and desist, entered by the Federal Trade Commission on June 15, 1962,[2] in its Docket No. 7997.

OPINION BELOW

The Opinion of the Court of Appeals[3] was entered June 5, 1963 in case number 13,858, September Term, 1962, April Session, 1963.[4] The case is not officially reported as of the date of this Petition.

JURISDICTION

The United States Court of Appeals, Seventh Circuit, on June 5, 1963, entered its Opinion on Petition to Review a cease and desist order of the Federal Trade Commission.

That Court, on June 28, 1963, entered its Final Decree Affirming and Enforcing Order to Cease and Desist.

By Order dated September 3, 1963, this Court extended the time for filing this Petition For A Writ of Certiorari until September 23, 1963.[5] By further Order[5a] this Court has further extended the time for filing until September 26, 1963.

The jurisdiction of this Court is invoked pursuant to Section 5 of the Federal Trade Commission Act; 15 U.S.C.A. 45 (c), (g) and (h) and pursuant to 28 U.S.C.A. 1254(1) and 2101(c).

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[2] Appendix "B", Decision of the Commission and Order To File Report of Compliance.

[3] Appendix "C".

[4] Seventh Circuit.

[5] Appendix "D", Order Extending Time For Filing Petition For Writ of Certiorari.

[5a] Appendix "I".

QUESTIONS PRESENTED FOR REVIEW.

1. Whether the Federal Trade Commission in a Section 5 proceedings can excise a trade name by ordering its owner to qualify its use by requiring:

"1. that the public is warned by a statement . . ." that the products bearing the trade name are not manufactured by the predecessor owner of the name, and,

2. That the country of origin of imported products bearing that trade name be marked on the product, in advertising and on containers.

2. Whether the Federal Trade Commission can, by order, restore the primarily geographic meaning to a trade name that had lost that significance and acquired a secondary meaning by 1899.

3. Whether an Order of the Federal Trade Commission based upon representations of the licensee of the trade name, "Waltham," is arbitrary and capricious insofar as it requires qualification upon use of the trade name, where the licensor expeditiously terminated the license and secured an injunction against use of the name by the licensee.

STATUTES INVOLVED

The statutes involved in the determination of the questions presented are:

The Federal Trade Commission Act:

Section 5(a), (b) 38 Stat. 719; 15 U.S.C.A. 45 (a) (b).[6] (Act of September 26, 1914, as amended).

The Lanham Trade Mark Act: 60 Stat. 433, 458, 15

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[6] Appendix "E", 15 U. S. C. A. 45(a)
Appendix "F", 15 U. S. C. A. 45(b)

U.S.C.A. 1064, 1115[7] (Act of July 5, 1946, as amended).

As provided in Rule 23(d) of this Court's Rules, the statutory provisions above noted are printed in the Appendix to this Petition.

CONCISE STATEMENT OF THE CASE

The jurisdiction of the Court below was based upon Section 5(d) of the Federal Trade Commission Act.[8]

The Respondent entered its Decision and Order To File Report of Compliance[9] in which it adopted the Initial Decision[10] of the Hearing Examiner and the order contained therein.

The Order

Thus, the Order contained in the Initial Decision became the Final Order of the Commission[11] and it was this Order that the Court affirmed in its decision.[12]

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[7] Appendix "G", 15 U. S. C. A. 1064(c)(e) Proviso.
Appendix "H", 15 U. S. C. A. 1115.

[8] 15 U. S. C. A. 45(d).

[9] Appendix "B".

[10] The Initial Decision of the examiner is voluminous, consisting of 48 printed pages. It is not appended to this Petition. However, pursuant to Paragraph 4 of Rule 21 of the Rules of this Court, Petitioners have filed nine copies of the record as printed for use of the Court below. In that printed record the Initial Decision is contained in the "Separate Supplement To Petitioners' Appendix". Reliance upon Rule 23(i) of this Court's Rules.

[11] The Commission entered no final order of its own.

[12] Appendix "C".

Insofar as Petitioners here[13] are concerned, that order provides:

> It is Further Ordered that Waltham Watch Company, a corporation, and its officers and Harry Aronson, individually and as an officer of said corporation, and Lawrence Aronson as an officer of said corporation, and said respondents' officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the use of the name "Waltham", in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:
>
> I. Using or authorizing any person to use the name "Waltham" in connection with the sale of clocks or any other product unless it supervises said use and insures that the name is so utilized that:
>
> 1. The *public is clearly warned* by a statement immediately in connection therewith, *that the product is not manufactured by the Waltham Watch Company of Waltham, Massachusetts*; and,
>
> 2. If the product is of foreign origin, the country of origin of the product is clearly and conspicuously disclosed on the product, on the advertising used in offering it for sale, and on any package or container in which the product is enclosed, in such manner that the name of the country of origin will not be hidden, obscured or obliterated.
>
> II. Placing any means or instrumentality in the hands of others whereby they may mislead the public, as to the manufacturer of any product which they sell, the manufacturer's age, experi-

[13] David and Muriel Singer, T/A Time Industries, were named along with Petitioners in the agency complaint. They did not participate in the appeal below, nor are they Petitioners here.

ence and reputation or the country of origin of the product.

It is Further Ordered that the complaint is dismissed as against resopndent, Lawrence Aronson, individually, but not as an officer of respondent, Waltham Watch Company. (Emp. supplied).[13a] [14]

Opinion below

In its Opinion[15] the Court below said:

> Although if we were fashioning the remedy, we might have done so in some respects differently from the Commission, yet, as the function is primarily that of the Commission, we will approve the order as the Commission prepared it.

The Facts

There never has been a "*Waltham Watch Company of Massachusetts*".[16]

The Petitioner, Waltham Watch Company, did not make any of the representations complained of by the Commission.[17]

All of the alleged violations involved practices of David and Muriel Singer, T A Time Industries, a licensee of the Waltham Watch Company.[18] Waltham

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[13a] Petitioners have not appealed this paragraph of the order.

[14] Separate Supplement to Petitioners Appendix, (Record below, filed herewith), pages 46 and 47.

[15] Appendix "C", last page, last paragraph.

[16] Initial Decision, Separate Supplement to Petitioners' Appendix (hereinafter referred to as SSA, whereas Petitioners' Appendix will be referred to as PA), pages 5 and 6

[17] Brief for Respondents' (hereinafter RB), pages 2-9.

[18] R. B. (recorded below) pp. 4-9.

was merely charged with placing the means or instrumentalities into the hands of the Singers for the deception alleged.[19]

The Waltham Watch Company moved to Chicago from *New York* in 1959, after the merger of that company with Hallmark, Inc. Since that time the Petitioner corporation has been doing business in Chicago.[20]

Prior to the merger and as a result of a corporate "spin-off", the Petitioner corporation, which was incorporated in Delaware, acquired the watch and clock business from the parent corporation, a Massachusetts corporation organized in 1923.[21] At the time of the "spin-off", the Massachusetts corporation changed its name to the Waltham Precision Instrument Company. There has not been a Waltham Watch Company in Massachusetts since 1957.[22]

The Waltham Watch Company was more than one hundred years old when the Commission issued its complaint in these proceedings.[23] It had progressed from a private enterprise located in Waltham, Massachusetts in 1849,[24] to the Massachusetts corporation of 1923,[25] through the "Spin-off" in 1957,[26] to the merger and removal of its operation to Chicago in 1959.[27]

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[19] R. B., p. 3.

[20] P. A. (record below) 94-95, 97-99; R. B. 4-5.

[21] P. A. 93-96.

[22] P. A. 51-56, 63-67, 93-94; R. B. 4-6 (record printed for Court below).

[23] 1849-1960. See P. A. 98, (Commission Exhibit 72).

[24] R. B. 4.

[25] P. A. 95.

[26] R. B. 4.

[27] R. B. 4-5.

The corporate petitioner here is the only company doing business under that name and owns exclusive right to the trade marks and trade name "WALTHAM".[28]

Waltham originally manufactured both watches and clocks in Waltham, Massachusetts, but even prior to the "spin-off" the parent company had become an importer.[29]

Competitors such as Elgin and Hamilton are also importers.[30]

The Petitioner corporation is the only Waltham Watch Company and is conducting, in Chicago, the same business commenced over a hunded years ago in Waltham, Massachusetts. In acquiring its right to do so, it even acquired the inventory of the Massachusetts corporation, consisting, in part, of imported Waltham movements.[31]

David Singer, T A Time Industries, acquired a license to use "WALTHAM" on imported clocks from prior management of the Petitioner corporation.[32] The license agreement became formal under present management.[33]

Nine months after execution of the license agreement, the agency complaint issued.[34] *Sixty-eight days later the license agreement was terminated by the Petitioners,*[35] and by November 16, 1961, Waltham had

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[28] P. A. 63-68, 93-98, R. B. 4-5.

[29] P. A. 51-53, 61-62, 98.

[30] P. A. 60-61.

[31] P. A. 51-52; 169-177, R. B. 4-5.

[32] R. B. 6.

[33] R. B. 6, P. A. 84-89.

[34] P. A. 2-14 (June 24, 1960); P. A. 84-89 (September 1, 1959).

[35] P. A. 72, 179; P. B. 31.

secured a restraining order against the licensee's use of the name.[36]

The clocks involved in this case were imported by Time Industries, not Waltham.[37] The marketing and advertising practices complained of were also the licensee's; not those of the Petitioner corporation.[38]

All of the clocks in evidence were marked "West Germany" on the dials, and Commission witnesses testified that they were told the clocks were imported.[39]

Time Industries did not sell clocks to consumers, the representations of salesmen were made to distributors who, in turn, placed the clocks marked "Waltham"[40] in retail outlets for sale to consumers.

Time only advertised in periodicals of limited circulation and under "Business Opportunity" in classified sections of newspapers.[41]

REASONS RELIED ON FOR GRANTING WRIT

The decision of the Court below is novel. Waltham, a fine old American trade name has become an importer. The excisions of that trade name required by the Commission's Order and affirmed by the Court below would restore to the trade name its primarily geographic meaning which it had lost by 1899. The Court below has decided an important question in a manner that has grave and serious implications of vast economic consequence to traditionally American enterprises. The Court has sanctioned a radical departure from accepted trade mark law. It has sanctioned one

[36] P. B. Addendum, pages 37-39.

[37] R. B. 6.

[38] R. B. 6-9.

[39] P. A. 23, 41, 42, 44, 47; R. B. 8.

[40] R. B. 6-9, P. A. 84, 143, 144, 147.

[41] P. S. A. 6-8, P. A. 33, 35, 38, 39, 40-45, 47, 74, 143, 145, 147, 151.

agency's usurpation of power granted by Congress to another. It has ratified an unprecedented invasion of property rights by sanctioning controls not contemplated in law and of far reaching economic significance. There is no precedent for an agency's watering down of a valid trade name or trade mark, and the order, in so doing, contravenes public policy and the decisions of this Court safeguarding the rights of property inherent in trade names and trade marks

ARGUMENT

"Waltham" Does Not Mean Made In U. S. A.

A geographic trade name, having acquired secondary meaning which identified the former merely geographic name with the product of the owner of that name, becomes the property of that owner. Its original geographic meaning cannot be restored by action of the Federal Trade Commission in a Section Five proceeding. A well known trade name, being identified with the products of its owner and not with the place of manufacture, cannot acquire a meaning which identifies it only with American made products, and its use on goods imported in whole or in part is not per se deceptive merely because its owners had elected to use it on domestic goods for a long period of time.[42]

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[42] *American Waltham Co.* v. *U. S. Watch Co.*, 173 Mass. 85; 53 N. E. 141 (1899).

Royuk Cigars v. *Schwartz*, 1 F. Supp. 286 (1932).

International Cheese Co. v. *Phoenix Cheese Co.*, 103 N. Y. S. 362 (1907).

"Timing A Century" (Harvard University Press).

Trade Mark Reporter, Vol. 50, page 244 (U. S. Trade Mark Association, New York City).

Derenberg, Walter, *"Trade Mark Protection and Unfair Trading"* at page 341 (Matthew Bender, Albany, New York, 1936).

Callman, Rudolph, *"Unfair Competition and Trade-Marks"*; (Callaghan, 1950) 2nd Ed. Vol. 3, at pages 1120, 1121, 1224-1225, 1248-1251.

Once it becomes a property by the acquisition of secondary meaning, its owners, even though they may not be the same as the original acquisitors, may freely transfer the business from the geographic site that originally provided the basis for the trade name, and continue to use that name to identify their products.[43]

The use of advertising slogans is not deceptive per se. Deception must be proved, their truth is a defense. An order imposing a negative limitation or disclaimer on the use of a trade name is arbitrary and capricious when based solely upon the use of truthful slogans and the name itself.[44]

The Federal Trade Commission abuses its delegated power and acts arbitrarily and capriciously when it enters a cease and desist order against parties that have not been associated with the practices complained of.[45]

"Waltham" is a valuable property right now owned by the Waltham Watch Company of Delaware. It

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[43] *Baglin* v. *Cusenier Co.*, 221 U. S. 580, 31 S. Ct. 669; 55 L. Ed. 863 (1910).

F. T. C. v. *Walker's New River Mining Co.*, 79 F. 2d 457 (C. C. A. 4, 1935).

Siegert v. *Gandolfi*, 149 F. 100 (C. C. A. 2, 1906).

Nims, Harry D. "*Unfair Competition and Trademarks*", (Baker-Voorhies & Co., Inc., New York) 4th Ed., 1947, Vol. 1, page 318.

[44] *Ex Parte, Fils de R. Picard et Cie.*, 9 U. S. P. Q. 208 (Comm. of Patents, 1931).

El Moro Cigar Co. v. *F. T. C.*, 107 F. 2d 429 (C. C. A. 4, 1939).

Gebbie v. *Stitt*, 82 Hun. (N. Y.) 93; 31 N. Y. Supp. 102.

"*Timing A Century*" (Harvard University Press).

[45] *Carter Products, Inc.* v. *F. T. C.*, 186 F. 2d 821 (C. C. A. 7, 1951).

Jacob Siegel Co. v. *F. T. C.*, 327 U. S. 608 at 612; 66 S. Ct. 758 90 L. Ed. 888.

had been licensed by the Waltham Watch Company of Massachusetts for limited use by Hallmark, Inc., of Illinois, the property vested in the Delaware corporation with the merger of Hallmark, Inc., into Waltham, which was formed as the result of the "spin off" from the parent (Massachusetts) corporation.

After the spin off the Massachusetts corporation changed its name to the Waltham Precision Instrument Company, Inc., which has been engaged in the precision instrument business (other than watches) in Waltham, Massachusetts. The Waltham Watch Company has been engaged in the manufacture, importation, distribution and sales of watches since the spin off and since the merger with Hallmark, Inc., its plant and principal place of business has been located in Chicago.

The reasoning underlying the proscriptions of the Order is fallacious unless a novel, unprecedented concept of trade marks and trade names will here be judicially sanctioned. The proposition that a trade name can acquire a meaning which identified the products upon which it is used with American manufacture is absolutely without precedent in the law of trade marks and trade names. Even the maze of conflicting decisions which constitutes the Commission's contribution to the law of unfair competition does not reveal a single precedent for the Commission's novel theory.[46]

Secondary Meaning

"Waltham" had acquired a secondary meaning which had been judicially recognized by 1899.[47]

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[46] These unrelated cases are set forth in the Court's Opinion, Appendix "C".

[47] *American Waltham Co.* v. *U. S. Watch Co.*, 173 Mass. 85, 53 N. E. 141 (1899).

By that time it had acquired common acceptation by long and continuous use and had lost its primarily geographic significance.

In other words, though it originally had meant "watches made in Waltham, Massachusetts", by 1899 the Court had come to recognize the legal fact that it had lost that geographic significance and come to mean watches manufactured by the owner of the trade name. Had it not acquired this secondary meaning, it could not have become a trade name.

Now the Commission, by its Order, would restore the geographic significance which Waltham had lost by 1899. In fact, it would not only restore that geographic meaning, but broaden it from mere identification of a town in Massachusetts to mean "made in the United States." There is no precedent to support such a restoration nor do the cases relied upon provide any authority for the proposition urged by the Commission.[48]

It is a well known fact that many large American companies have become importers. It should also be noted that the Massachusetts corporation now known as Waltham Precision Instrument Company became an importer long before the license to Singer, or the spin off of the watch business to the Delaware Petitioner. Waltham, like all competitors, marks the country of origin under the numeral "6" on the face or dial of the imported watches in conformity with the requirements of the Tariff Commission.

Obviously, the Commission's order singles out Waltham in a highly competitive industry and would un-

[48] *Edw. P. Paul & Co., Inc.* v. *Federal Trade Commission*, 169 F. 2d 294 (C. A. D. C., 1948). See also other cases cited in footnote 43.

fairly and inequitably require it to "water down" its trade name, while competitors whose acts and practices are identical will continue to use their equally well established trade names without qualification or limitation.

The value of a trade name or trade mark is vested in the right to use it for advertising and marketing. The Commission, having a mandate from the Congress to maintain fair competition, is here fostering unfair competition. Waltham should be permitted to fairly compete in the industry.

The Waltham Watch Company was incorporated in Massachusetts in 1923 as the corporate successor to the private enterprise started by Aaron Dennison in 1849.[49]

The Waltham case decided in 1899 is res judicata on the issue of secondary meaning. Truly, it is a landmark case in the law of secondary meaning and discussed by every authority who has written in the field of trade names and trade marks.[50]

Geographical names having attained a controlling secondary meaning have been held valid regardless of the domicile of the producer. It is common knowledge, for instance, that a consumer buying "Paris" garters,[51] "Philadelphia Cheese",[52] etc. does not believe or understand that the products they are buying emanate from the geographical place captured in the trade name.

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[49] "*Timing A Century*" (Harvard University Press)

[50] See footnotes 42 and 43 supra.

[51] *A Stein & Co.* v. *Liberty Garter Co.*, 198 F. 959 (D. C. S. D. N. Y. 1912).

[52] *International Cheese Co.* v. *Phoenix Cheese Co.*, 103 N. Y. S. 362 (1907).

The Commission has never challenged the validity of the present ("spin off") company's title to the trade name and trade marks "Waltham". However, by virtue of its order, it does challenge the right to use those properties in Chicago in the same manner they could have been used, had economic or other considerations advised management to remain in Waltham, and import as the Massachusetts corporation had prior to the license to Singer.

Petitioners respectfully submit that the Commission in so doing completely ignores the wealth of law controlling this issue.

The prominent trade mark authority, Harry D. Nims, has treated this subject at some length.[53]

> The right to protection of a geographical name used to indicate source, is not lost because the one using it moves his plant to a place which does not bear the name which has thus been used as a trade name. This is not a reason why he may not continue to claim protection in the use of the name of the place where formerly he was located, if prior to the time of his removal he has acquired a secondary meaning as used by him. (*Baglin* v. *Cusenier*, 221 U.S. 580, 31 Supreme Court 669 (1910).)

In *Siegert* V. *Gandolfi*, it is stated:[54]

> If the geographical name has become a secondary designation indicative of the product of the particular manufacturer, it is as much entitled to protection as any arbitrary or fancy name which he might have selected; and the circumstances that

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[53] Nims, Harry D., "*Unfair Competition and Trade Marks*", (Baker-Voorhis & Co., Inc., N. Y.) (4th Ed. 1947) Vol. 1, page 318.

[54] *Siegert* v. *Gandolfi*, 149 F. 100 (C. C. A. 2, 1906).

> the manufacturer might have removed his place of business and is making his product in some other place is of no more consequence than it would be if he had adopted the fancy name.

There, complainants were the successors of the original manufacturer of "Siegert's Angostura Bitters", with which the name "Angostura" had long been identified. This was the name of a city in Venezuela where the bitters were first made, though the factory had long since been transferred to Trinidad. Defendants made bitters of a similar kind at Baltimore, and sold them as "Angostura" Bitters imitating at the same time complainant's bottles and labels, but correctly stating in the labels and circulars their own name and the place of manufacture. However, the word "Angostura" had acquired a secondary meaning and was not open to the use of defendants and these rights were not lost by the removal.

The Representations were made in violation of the license agreement, which Waltham expeditiously terminated.

The Petitioners "inherited" the Agreement under which David Singer t/a Time Industries was licensed to use the trade name and trade marks "Waltham" on *clocks*.[55]

Shortly after Aronson interests purchased control of Waltham from the Axler interests, a formal license agreement with Singer, t/a Time Industries was executed.[56]

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[55] The original license was granted under prior (Axler) management. See P. A. page 82, CX 27, Rec. page 364.

[56] P. A. pages 84-89, CX 33, this agreement is dated September 1, 1959.

Nine months after the execution of the license agreement, the complaint in the proceedings below was issued,[57] putting Petitioners on notice of the representation being made by Time Industries and its agents for the first time. *Sixty-eight* days later Petitioners terminated the agreement.[58] The termination was later confirmed by letter.[59] Thereafter, suit was filed in New York, and by November 16, 1961, Waltham had secured an Order from the Court restraining Singer from using the Waltham trade name and trade marks.[60]

The law requires that a licensor of a trade name or trade mark must exercise control over the use of the name or mark. The kind of control exercised by the licensor differs with the kind of mark.[61]

> Where the trade mark owner grants a nonexclusive license and the licensee agrees to use the mark only in connection with articles that are of the quality and standard fixed or approved by the licensor, and the licensor has the right to inspect the licensee's merchandise, the license is valid. If however, the licensee violates the agreement and the licensor knowing thereof, voices no objection, an abandonment of licensor's right may be assumed.[62]

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[57] P. A., pages 2-14, *Complaint*, June 24, 1960, Rec. pages 2-13.

[58] P. A., page 72, gave the date of termination as August 1, 1960, on P. A. pages 66-67. We have used the later of the two dates.

[59] P. A. page 179, RX 61.

[60] Addendum, Petitioners' Brief, pages 37-39.

[61] Callman, Rudolph, *Unfair Competition and Trade Marks*, 2nd Ed. 1950 (Callaghan & Co.), Vol. 3, page 1300.

[62] Ibid., Vol. 3, page 1300. See also *E. I. DuPont de Nemours v. Celanese Corp. of America*, 167 F. 2d 484 (C. C. P. A. 1948).

Petitioners submit that they had a right to license the use of their trade name and trade mark "Waltham" to Singer t/a Time Industries for use on clocks and that they did all that could reasonable be expected of them to terminate the license when Singer failed to permit the control set forth in the license agreement.[63]

Congress Delegated Power To Supervise Use Of Trade Marks To The Patent Office; Not To The Federal Trade Commission.

Section Five of the Federal Trade Commission Act was enacted into law in 1914. In 1946, the Congress passed the Lanham Trade Mark Act.[64] In the latter it provided the basis for cancellation and supervision of trade marks, specifically providing that the *Federal Trade Commission may act only as a media of complaint to the Commissioner of Patents.*[65]

Had Congress intended that the Federal Trade Commission should exercise supervisory jurisdiction over trade marks, the later statute would not have been needed. However, from the fact of its enactment, it must be inferred that Congress intended that the Federal Trade Commission should not exercise such control and acquire that jurisdiction in a Section Five proceedings.

That the Trade name "Waltham" is a registered trade mark cannot be disputed.[66]

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[63] P. A. page 153, RX 43, Rec. page 556.

[64] See Appendix "E", "F" and "G".

[65] See *Provided*, Appendix "G".

[66] See Addendum, Petitioners' Brief (record below) pages 41-44; See also Commission's Exhibit 72; P. A. 64, 93, 155, 170.

This case is distinguished from a leading case decided by this Court[67] in which a second user attempted to "palm off" his products as those of another producer.

This Court has never decided a case where, as here, the Federal Trade Commission has excised the use of a valid trade mark and trade name by the lawful owner thereof.

Title 15, Section 1115 (U.S.C.A.) gives to the owner of a trade mark the presumptions of ownership and the validity of the mark.[68]

Mere assignment of a mark cannot form the basis of a cancellation proceedings under Title 15 U.S.C.A. 1064.[69]

This court has never decided a case in which the Federal Trade Commission has excised the use of a trade mark by its rightful owner on the basis of deception. It has considered several cases where that agency has entered cease and desist orders against companies trading off their products as those of another or as being of a quality denoted by the trade name.[70] But the instant case does not fall into either of these categories.

This Court should entertain this Petition and decide the novel questions presented by the Commission's assumption of jurisdiction in this new field in deroga-

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[67] *Manhattan Medicine Co.* v. *Wood*, 108 U. S. 218; 27 L. Ed. 706.

[68] *Rosengart* v. *Ostrex Co.* (1943) 136 F. 2d 249.

[69] *Penetrone Corp.* v. *Plough, Inc.* (1942) 128 F. 2d 591.

[70] *Holzapfel's Compositions Co.* v. *Rahtjens American Composition Co.*, 183 U. S. 11; 22 S. Ct. 6; 46 L. Ed. 49.

Coca Cola Co. v. *Koke Co.*, 254 U. S. 143, 41 S. Ct. 113, 65 L. Ed. 189.

Jacobs v. *Beecham*, 221 U. S. 263; 31 S. Ct. 555, 55 L. Ed. 729.

tion of the specific jurisdiction granted by Congress to the Commissioner of Patents in the field of trade mark supervision and cancellation.

The question to be decided is whether the Federal Trade Commission can order the qualification, "watering down" or excision of a trade name when it is used by its lawful, registered owner, by requiring unprecedented disclosures that the labeled goods are no longer domestically manufactured and that the plant has been re-located to another geographic site.

> The law of trade-marks is one cornerstone of the law of unfair competition; considerations arising out of the competitive relationship, therefore, should prevail over any claimed public right. Such a right cannot be invoked as a shield for the furtherance of unfair competition.[71]

CONCLUSION

Wherefore, the premises considered, the Petitioners pray that this Petition be granted.

Respectfully submitted,

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[71] Callman, Rudolph, "Unfair Competition and Trade Marks" (Callaghan, Chicago), 2nd Ed., Vol. 3, page 1671, Section 85.1(b). See also: *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U. S. 169; 41 L. Ed. 118; 16 S. Ct. 1002 (1896); *McLean* v. *Fleming*, 96 U. S. 245; 24 L. Ed. 828 (1877).

CERTIFICATE OF SERVICE

I hereby certify that three copies of the foregoing Petition for a Writ of Certiorari were mailed, postage prepaid, this 26th day of September, 1963, to The Honorable Archibald Cox, Solicitor General of the United States, Department of Justice, Washington 25, D. C., and that two copies were mailed in a like manner on the same day to Joseph Shea, Esquire, Secretary, Federal Trade Commission, Washington 25, D. C.

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